GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:292
ANSWERED ON:10.08.2015
Airfares
Chowdhary Shri Pankaj;Kulaste Shri Faggan Singh

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether certain airlines including private airlines are reportedly indulging in predatory pricing of airfare and/or charging airfares arbitrarily from the passengers and if so, the reaction of the Government thereto;

(b) whether complaints have been received against private airlines regarding arbitrary/predatory pricing of tickets and last-minute cancellation of bookings without assigning any reason during the last three years and the current year;

(c) if so, the details thereof along with the action taken by the Government thereon; and

(d) the steps taken or being taken by the Government to curb such practices in the interest of passengers and bring about uniformity in airfares?

Answer

Minister of CIVIL AVIATION

(Shri Ashok Gajapathi Raju Pusapati)

(a) to (d) : A Statement is laid on the table of the house.

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STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN REPLY TO STARRED QUESTION NO. 292 DATED 10.8.2015 REGARDING AIR FARES.

(a) to (c): Representations have been received from time to time regarding alleged " arbitrary" fares charged by the airlines at times. The
position in this regard is as follows:

Air fares are not regulated by the Government. Under the provision of Sub Rule (1) of Rule 135, Aircraft Rules 1937, airlines are free to fix reasonable tariff having regard to all relevant factors, including the cost of operation, characteristics of services, reasonable profit and the generally prevailing tariff. Air fare so established by the airlines is published on their respective website under the provision of Sub Rule (2) of Rule 135, Aircraft Rules 1937.

Airline remains compliant to the regulatory provisions of Rule -135 as long as the fare charged by them does not exceed the fare established ad displayed on their website.

(d) The steps taken by DGCA to curb such practices are as follows:

i) In order to prevent excessive charging and sudden surges in airfares and to promote transparency by scheduled domestic airlines, DGCA has issued Air Transport Circular 02 of 2010 wherein airlines are required to display on their respective websites the tariff sheet route-wise across their network in various fare categories and the manner it is offered in the market. The intention behind the above directions is to keep the passengers informed of pricing pattern of airlines.

ii) DGCA has also set up a Tariff Monitoring Unit in 2010 that monitors airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by them. The analysis has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective websites.

iii) Directorate General of Civil Aviation has issued Civil Aviation Requirements (CAR) Section -3, Series -M, Part IV on "facilities to be
provided to passengers by airlines due to denied boarding, cancellation of flights and delay in flight". Facilities/ compensation specified in the CAR are required to be provided by airlines in case of flight cancellation

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